

United States  
Circuit Court of Appeals

For the Ninth Circuit. 3

DAVID GORDON,

Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE,  
Respondent.

Transcript of the Record

Upon Petition to Review an Order of the  
United-States Board of Tax Appeals.

**FILED**

**JUL 18 1934**

**PAUL P. O'BRIEN,**  
CLERK



No. 7484

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[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in italic; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in italic the two words between which the omission seems to occur.]

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Docket No. 54949

APPEARANCES.

For Taxpayer:

FRED HOROWITZ, Esq.

For Comm'r.:

A. L. MURRAY, Esq.,

ALVA C. BAIRD, Esq.

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DOCKET ENTRIES.

1931

Mar. 30—Petition received and filed. Taxpayer notified. (Fee paid)

“ 30—Copy of petition served on General Counsel.

Sep. 18—Answer filed by General Counsel.

Oct. 1—Copy of answer served on taxpayer. Circuit Calendar.

1933

Aug. 3—Hearing set in Long Beach, Calif. beginning Sept. 25, 1933.

Sep. 26—Hearing had before Mr. Van Fossan on merits. Submitted. Petitioner's brief due Nov. 11, 1933. Respondent's none. Oral argument.

Oct. 7—Transcript of hearing of Sept. 26, 1933 filed.

Nov. 9—Brief filed by taxpayer.

Nov. 22—Memorandum opinion rendered, E. H. Van Fossan, Div. 9. Decision will be entered for the respondent.

Nov. 24—Decision entered, E. H. Van Fossan, Div. 9.

1934

- Feb. 24—Petition for review by U. S. Circuit Court  
Court of Appeals (9) with assignments of  
error filed by taxpayer.
- Feb. 24—Proof of service filed by taxpayer.
- Apr. 4—Motion for extension of 30 days to settle  
evidence and transmit record filed by tax-  
payer.
- Apr. 4—Order enlarging time to May 25, 1934 for  
preparation of evidence and delivery of  
record entered.
- Apr. 27—Agreed statement of evidence lodged.
- Apr. 27—Praecipe filed.
- Apr. 27—Proof of service of praecipe filed.
- Apr. 28—Agreed statement of evidence approved  
and ordered filed. [1\*]

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United States Board of Tax Appeals

Docket No. 54949

DAVID GORDON,

Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE,  
Respondent.

PETITION

The above named petitioner hereby petitions for  
a redetermination of the deficiency set forth by

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\*Page numbering appearing at the foot of page of original certified  
Transcript of Record.



the Commissioner of Internal Revenue in his Notice of Deficiency IT:AR:E-1 BAG-60D, dated March 9, 1931, and as a basis for his proceeding alleges as follows:

1. That petitioner is an individual, residing at 629 South June Street, in the City of Los Angeles, County of Los Angeles, State of California.

2. That the Notice of Deficiency, a copy of which is attached and marked Exhibit "A", was mailed to petitioner on March 9, 1931. [2]

3. The taxes in controversy are income taxes for the calendar year 1928, and the deficiency is for \$2,614.50.

4. The determination of the tax set forth in the said Notice of Deficiency is based on the following error:

That petitioner was not permitted to divide community income for year 1928 with his wife, but the whole of said community income was assessed as against petitioner.

5. The facts upon which the petitioner relies as the basis of this proceeding are as follows:

All of the property owned by petitioner was acquired subsequent to his marriage; that during the year 1928, and pursuant to amendment of the community property laws of the State of California, and pursuant to agreement between petitioner and his wife, he divided the community income; that if effect were given to the community property laws of the State of California and to the agreement between petitioner and his said wife, there would

be no deficiency in the sum of \$2,614.50, or any other sum. [3]

Petitioner prays for relief from the deficiency asserted by respondent in the following particular:

That he be permitted to return but one-half of the income of the community property.

WHEREFORE, petitioner prays that this Board may herein determine the deficiency herein alleged.

FRED HOROWITZ

Counsel for Petitioner

385 West Eighth Street

Los Angeles, California. [4]

State of California,

County of Los Angeles—ss.

DAVID GORDON, being duly sworn, says:

That he is the petitioner above named; that he has read the foregoing Petition and is familiar with the statements contained therein; that the facts stated are true, except as to the facts stated to be upon information and belief, and as to those facts, he believes it to be true.

DAVID GORDON

Subscribed and sworn to before me this 23rd day of March 1931.

[Seal]

PAUL J. FRITZ

Notary Public in and for the County of Los Angeles, State of California. [5]

EXHIBIT "A"

TREASURY DEPARTMENT  
WASHINGTON

Mar. 9, 1931

Office of  
Commissioner of Internal Revenue  
Mr. David Gordon  
629 South June Street  
Los Angeles, California.  
Sir:

You are advised that the determination of your tax liability for the year(s) 1928 discloses a deficiency of \$2,614.50, as shown in the statement attached.

In accordance with section 272 of the Revenue Act of 1928, notice is hereby given of the deficiency mentioned. Within sixty days (not counting Sunday as the sixtieth day) from the date of the mailing of this letter, you may petition the United States Board of Tax Appeals for a redetermination of your tax liability.

HOWEVER, IF YOU DO NOT DESIRE TO PETITION, you are requested to execute the enclosed agreement form and forward it to the Commissioner of Internal Revenue, Washington, D. C., for the attention of IT:C:P-7. The signing of this agreement will expedite the closing of your return(s) by permitting an early assessment of any deficiency and preventing the accumulation of interest charges, since the interest period terminates thirty days after filing the enclosed agreement, or

on the date assessment is made, whichever is earlier ;  
 WHEREAS IF NO AGREEMENT IS FILED,  
 interest will accumulate to the date of assessment  
 of the deficiency.

Respectfully,

DAVID BURNET

Commissioner

By J. C. Wilmer

Deputy Commissioner.

Enclosures:

Statement

Form 882

Form 870 [6]

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STATEMENT

IR:AR:E-1

BAG-60D

in re: Mr. David Gordon,  
 629 South June Street  
 Los Angeles, California

Tax Liability

Year	Tax Liability	Tax Assessed	Deficiency
1928	\$4,093.57	\$1,479.07	\$2,614.50

The report of the internal revenue agent in charge at Los Angeles, California, a copy of which was furnished you, is approved and is hereby made a part of this letter.

Careful consideration has been accorded your protest dated February 9, 1931, in connection with

the findings of the examining officer, and the information submitted at a conference held in the office of the internal revenue agent in charge.

It was contended that the income reported by your wife on a separate return represented her share of community income for that year.

However in view of the decision of the United States Supreme Court on January 19, 1931 in the case of Robert K. Malcolm it appears that it has not been established that the income reported by you and your wife is community income in accordance with I. T. 2457, Cumulative Bulletin VIII-1, page 89, for the reason that the income involved has not arisen from sources where services were an income producing factor in that the returns indicate no income from salaries, fees, commissions, etc.

Further, there is no indication that any material amount of income has been earned since July 29, 1927 from services which could have been used to acquire any of the property from which income is reported in the year 1928. Consequently no part of this property can be considered to constitute community property and no part of the income therefrom can be considered to constitute community income. [7]

Therefore the income divided between yourself and wife in the returns filed has been adjusted and all divisions of alleged community income have been eliminated.

Due to the fact that the statute of limitations will presently bar any assessment of additional tax

against you for the year 1928, the Bureau will be unable to afford you an opportunity under the provisions of article 1211 of Regulations 69 and/or article 451 of Regulations 74 to discuss your case before mailing formal notice of its determination as provided by section 274(a) of the Revenue Act of 1926 and/or section 272(a) of the Revenue Act of 1928. It is, therefore, necessary at this time to issue this formal notice of deficiency.

[Endorsed]: United States Board of Tax Appeals. Filed March 30, 1931. [8]

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[Title of Court and Cause.]

ANSWER.

The Commissioner of Internal Revenue, by his attorney, C. M. Charest, General Counsel, Bureau of Internal Revenue, for answer to the petition of this petitioner, admits and denies as follows:

1, 2 & 3. Admits the allegations of paragraphs 1, 2 & 3 of the petition.

4. Denies the allegations of error contained in paragraph 4 of the petition.

5. Denies the allegations of fact contained in paragraph 5 of the petition.

6. Denies generally and specifically each and every allegation contained in the petitioner's petition not hereinbefore admitted, qualified or denied.



WHEREFORE, it is prayed that the appeal of the petitioner be denied.

C. M. CHAREST,  
General Counsel,

Of Counsel: Bureau of Internal Revenue.

JOHN D. KILEY,  
Special Attorney,  
Bureau of Internal Revenue.

[Endorsed]: United States Board of Tax Appeals. Received Sep. 13, 1931.

[Endorsed]: United States Board of Tax Appeals. Filed Sep. 18, 1931. [9]

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[Title of Court and Cause.]

### MEMORANDUM OPINION.

VAN FOSSAN: In this case we are asked to re-determine a deficiency of \$2,614.50 for the year 1928. Petitioner alleges that respondent erroneously refused to permit him to divide community income for the year 1928 with his wife, the whole being assessed against petitioner.

Petitioner was born in the United States but when an infant moved, with his parents, to Canada where the parents became naturalized citizens. Petitioner remained in Canada many years, and married there. At marriage petitioner had no property or funds but his wife received \$3,000 [10] as a gift from her parents. After marriage petitioner and his wife

agreed that everything was to be on a "fifty-fifty" basis. Petitioner and his wife took the \$3,000 and started a small manufacturing business in men's and women's clothing. The business prospered and was continued until about 1921 when petitioner and his wife moved to California, bringing with them in excess of \$200,000. This money was variously invested, much of it being lost before the taxable year. It is the income from such property that is in question for 1928.

Previous to 1928 petitioner filed a joint return for himself and his wife. For 1928 they filed separate returns in which certain items of income were divided equally and other items unequally. Petitioner's gross income is shown as \$45,620.74 with a net income of \$27,844.56 while Lillian Gordon, the wife, returned \$21,901.41 as gross and \$15,721.96 as net income.

In this case we are concerned with the title to the property as acquired and when petitioner and his wife moved from Canada to California. The subsequent status of the property depends on the prior status.

It is elaborately argued on brief by counsel for the petitioner that in Quebec community property is the law unless abridged by agreement, that in the case of petitioner and his wife the oral agreement that everything was to be "fifty-fifty" superseded the community property status and governed the title to the \$200,000 in personal property when the same was brought to California. However, as laid



[11] down by Marshall, C. J., in *Church v. Hubbart*, 2 Cranch 187, 236, "foreign laws are well understood to be facts which must, like other facts be proved to exist, before they can be received in a court of justice." This rule is binding on the Board, *Columbian Carbon Co.*, 25 B. T. A. 465. Petitioner failed either to plead or prove the pertinent law of Canada respecting title to property. We can not assume it or take judicial notice of the same. Nor is quotation of such laws in the brief sufficient. The record fails to show that community property obtains in Canada, that it may be superseded by agreement of the parties, or even that husband and wife are free to contract with each other with respect to property. We are left in entire ignorance of the status or ownership of property in Canada.

In this situation we can not determine the ownership of the property either as acquired or at the time of removal to California. Thus, not knowing the ownership of the property in Canada it is impossible to determine what the status of the property would be in California, whether it was separate or joint or community property or perchance fell in some other category.

It is therefore unnecessary to determine the efficacy in law of the so-called "fifty-fifty" agreement.

Lacking proof of essential facts we have no alternative but to hold that petitioner has not established that respondent was in error.

Decision will be entered for the respondent.

[Endorsed]: Entered Nov. 22, 1933. [12]

United States Board of Tax Appeals

Washington

Docket No. 54949

DAVID GORDON,

Petitioner,

v.

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

DECISION.

Pursuant to the determination of the Board, as set forth in its memorandum opinion entered November 22, 1933, it is

ORDERED and DECIDED: That there is a deficiency of \$2,614.50 for the year 1928.

[Seal] (Signed) ERNEST H. VAN FOSSAN  
Member.

[Endorsed]: Entered Nov. 24, 1933. [13]

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[Title of Court and Cause.]

PETITION FOR REVIEW.

I. Nature of the Controversy.

The Commissioner of Internal Revenue determined a deficiency of Twenty-six Hundred Fourteen & No/100 Dollars (\$2614.00) in petitioner's payment of income tax for the year 1928, and on appeal to the Board of Tax Appeals, this determination was upheld [14] by an order of the Board entered November 24th, 1933.

Petitioner and his wife filed separate returns for the tax year in question, dividing their income unequally. The Commissioner denied the propriety of the separation of income, and arrived at the claimed deficiency by taking as a tax basis the aggregate of all income reported by petitioner and his wife.

The petitioner claims that by contract between himself and wife, all their property, from whatever source obtained, was held by them as tenants in common, and the income therefrom was properly divisible for income tax purposes.

The Board of Tax Appeals held that as the California property was acquired with the proceeds of the sale of property acquired in Canada while the spouses were there domiciled, and as there was no plea or proof as to the legal status of the property in Canada or as to the effect in Canada of the contract, it would not take judicial notice of, or assume, the Canadian law, and that the petitioner had therefore failed to sustain the burden of proof.

[15]

## II. Court of Review.

The court in which review is sought is the United States Circuit Court of Appeals, Ninth Circuit.

## III. Assignments of Error.

1. The Board of Tax Appeals erred in failing to take into account as evidence the presumption that the pertinent Canadian laws are the same as the laws of California on the particular subject involved.

3. The Board of Tax Appeals erred in failing to give effect to the contract between petitioner and his wife which created a tenancy in common as to all of their property.

4. The Board of Tax Appeals erred in determining that any deficiency exists.

5. The Board of Tax Appeals erred in holding that, under the evidence, the wife of petitioner had no separate interest in the aggregate income of the spouse. [16]

#### IV. Statement of Additional Evidence.

The petitioner accepts the statement of evidence contained in the memorandum opinion filed by Ernest H. Van Fossan, member of the Board of Tax Appeals, as the basis of the decision herein sought to be reviewed by inserting the following matter, subject to settlement by the Board of Tax Appeals in accordance with Rule 38 of the Circuit Court of Appeals, Ninth Circuit, and Rule No. 75 of the Equity Rules of the Supreme Court of the United States.

From the time of the marriage, up to the time of the hearing on the Field Calendar at Long Beach on September 26, 1933, it was the custom, practice and understanding of the parties to treat all property acquired with the proceeds of the business, as owned by each of the parties an undivided one-half interest, and to require the assent of both to any purchases or sales of property of any substantial value. This custom, practice and understanding ap-

plied to all property acquired in California after establishment of the residence of the spouses in that State, as well as all property acquired in Canada with the proceeds of which the California property was acquired. [17]

WHEREFORE, petitioner prays that a petition for review be allowed and that the order and decision of the Board of Tax Appeals be reviewed by the United States Circuit Court of Appeals, Ninth Circuit.

DAVID GORDON,  
Petitioner.

FRED HOROWITZ,  
Counsel for Petitioner.

State of California,  
County of Los Angeles.—ss.

DAVID GORDON, being by me first duly sworn, deposes and says: That he is the petitioner in the above entitled action; that he has read the foregoing Petition for Review and knows the contents thereof; and that the same is true of his own knowledge, except as to the matters which are therein stated upon his information or belief, and as to those matters that he believes it to be true.

DAVID GORDON.

Subscribed and sworn to before me this 8th day of February, 1934.

(Seal) HELEN KIRKPATRICK,  
Notary Public in and for said County and State.

[Endorsed]: United States Board of Tax Appeals. Filed Feb. 24, 1934. [18]



In the United States Circuit Court of Appeals for  
the Ninth Circuit.

DAVID GORDON,

Petitioner,

v.

B.T.A.

No. 54949.

GUY T. HELVERING,

Commissioner of Internal Revenue,  
Respondent.

#### AGREED STATEMENT OF THE EVIDENCE.

The above entitled cause came on for hearing before the Honorable Ernest H. Van Fossan, Member of the United States Board of Tax Appeals, on September 26, 1933, there being present the petitioner by his counsel, Fred Horowitz, and the respondent by his counsel, A. L. Murray and Alva C. Baird.

Whereupon, the petitioner, to maintain the issues on his behalf, introduced the following testimony:

DAVID GORDON,

the petitioner, being first duly sworn testified in substance as follows:

I reside in Los Angeles. I have lived in Los Angeles approximately 11 or 12 years. I was married in Canada. At the time of my marriage I set up house-keeping in Montreal.

I was there in Montreal from the time of the marriage until we moved to California, about 11 or 12 years ago.

(Testimony of David Gordon.)

At the time of my marriage my business or occupation was that of a traveling salesman.

At the time of my marriage I had no real or personal property of any kind, nothing except my salary. [19]

At the time of my marriage my wife's father gave her a sum of money. The amount of the sum of money was about three thousand dollars.

After I worked for a few months my wife and I started in business. I conducted that business until we came to California.

Prior to my marriage, we did not enter into a written prenuptial agreement but we discussed it several times that everything we made was 50-50. We did not enter into any agreement in writing. In Quebec a prenuptial agreement is usually entered into which is usually against the wife's interest in this way, that if a man would have property he would agree to give his wife—well, if he was worth a hundred thousand dollars he would agree to give his wife so much, and she would resign and waive all her community rights and her partnership rights. My wife was against anything of that nature and she said we would be 50-50. I did not enter into any prenuptial agreement whereby my wife waived any rights in my property.

I conducted that business until the time I came to California. It was the clothing business.

When I came to California we started to take our funds and invest them in real estate and other

(Testimony of David Gordon.)

things. Those were the funds which I brought from Canada and which I have not got, they have diminished. Yes,—the funds have diminished since arriving in the United States. I have a very, very small percentage of it now, but, of course, that is not in this case.

The gist of the conversations with my wife was as follows:

I could not, on any transaction that amounted to real money, do anything unless my wife agreed to it, because it was hers as much as mine.

From the time of my marriage up to the present time, my practice [20] with respect to either the purchase or sale of any properties has been that if the deal was advantageous to us both, and she objected to it, it wouldn't happen, that is all. It is the same right now.

Whenever my wife wants any money, for any purpose at all, she just says "get it" and that is all there is to it. My wife would feel highly insulted, and I would feel I was stealing it from her if I raised the question that she did not own one-half of my property, or tried to take any more than half of what was owned, in my own right, for my benefit.

At the time when I arrived in California with funds from Canada, that had been accumulated since my marriage, my wife and I considered that each of us owned one-half of that at the time of our arrival in California.



(Testimony of David Gordon.)

When I came to California the property was in the form of cash or securities, all personal property. I now have a very small percentage of what I then had. I think I had less in 1928 than I had when I came to California, I do not know the exact amount but I think I had less.

I do not remember what kind of returns I filed for the years prior to 1928.

Whereupon counsel for the petitioner objected to the last question on the basis that information relative to years prior to 1928 was immaterial, in view of the fact that the only year in issue was 1928. The Board member ruled that the witness could answer.

I really do not remember about the years prior to 1928 but I know that in earlier years I had filed single returns. By a single return I mean one single return for my wife and myself. I am not sure what year it was when we started to file separate returns. As a matter of fact I did not know the proper way to do it at all because I was inexperienced in that and I had just [21] a simple bookkeeper that made it out for me. I do not recall the kind of a split in income that was made on the returns for 1928. I do not remember anything as to that. At that time I had an auditor. I do not recall whether or not I had any income from services, as distinguished from income on investments, during the year 1928. I don't remember what the return is at all or what it was at that time. I identify the signature on the 1928 return you are showing me as mine. I think that the signature on the other 1928 return you are show-

(Testimony of David Gordon.)

ing me is that of my wife, Lillian Gordon. I didn't say that my property in 1928 was less than when I came from Canada, I don't know. I don't remember. I believe it was but I don't remember anything at all about what my wealth was at that time.

Whereupon the witness was asked to look at two income tax returns offered him in order that he might refresh his memory and state whether or not the income reported on the two returns was equally divided. Counsel for the petitioner pointed out that the documents speak for themselves. No objection to the question was made to the Board member.

My memory is very poor. I only went to school until I was 12 years old and I really am not competent to know. I started early to work and I really don't know. When it comes to this sort of thing I have got to have some one else do it for me. If the income is not equally divided I think that would be the fault of the auditor because the auditor's instructions were right. The auditor works for the Fox Studio now and he does auditing on the side. I think that certain things should be followed, certain rules should be followed, and that is the reason possibly why they are not made exactly half and half. The instructions to him were that they [22] were to be divided up, that she was an equal partner. I never had any separate property other than—

Whereupon counsel for the petitioner objected to the last question on the ground that it was calling

(Testimony of David Gordon.)

for a legal conclusion of the witness. The Board member ruled that the answer could stand.

I stated that I came directly to California, from Canada, about 12 years ago. I did not have any income at that time. I had a business going in Montreal and I was in the process of breaking it up, and naturally taking losses the first year or two until I became domiciled here. That was 10 or 12 years ago. It took me almost two years to break up the proposition and I was taking losses due to the exchange situation, bringing my funds into this district. I know, for instance, that we sold stuff that cost us \$30,000 for \$5,000 or \$6,000, something like that. We were not making any money the first two years. I was taking actual losses in breaking it up.

I don't remember the amount I brought from Canada but I know it was a considerable sum of money. I was getting in funds all the time. I had accounts and things in Montreal. Some of them, most of them, were honorable and then others would take advantage of the fact that I was breaking up. It was more than \$100,000. I should say it was more than \$200,000 but I don't remember. Not all at one shot, of course, but through the years, it was all coming, in the course of a few years, from Canadian sources. Every time I would bring in Canadian money I would lose, on exchange, any where from 15 to 20 or 30 per cent. The exchange was very low at that time. I would like to have 10 per cent now of what I brought. I will sell property that I still have for 10 per cent of what it cost me, and some

(Testimony of David Gordon.)

of it [23] for 5 per cent, and I have had it for 6 or 8 years. At one time I thought it was worth a lot of money but now I know it is not worth a lot of money, and that was my assets. I am now pretty close to being broke but I have a little left.

I was in Canada from childhood to manhood. I raised my children there. I was born in the United States and when I was 9 months old my folks emigrated to Canada and my father became a British subject. I never did become a British subject.

I always found it best to run my business in my own name because otherwise it would have been a complicated and dragged out affair and my wife would have to stay always around the office. She had couple of children to look after and naturally I run the business in my own name. The property was not always held in my name. Often, for convenience if she would be away or if she was ill we would put it into a trust. But, mostly it was held as just ordinary property, as it was bought.

The bank accounts were held in my name. My wife has been away now for six months. She just returned. If it was in both our names, why we could not—well, she just came home from Montreal now.

My ventures here in California require the use of very little credit. I do not remember that I have ever given a financial statement. I have not given one for 7 or 8 years, anyhow. I do not think I have given any. I can not remember whether I really ever have but I doubt whether I have. I am not positive.



(Testimony of David Gordon.)

I feel positive that I have not given it within the last five or six or seven years.

In the earning of income my wife performed office duties. In Canada she was in the office pretty nearly every day. Whenever I had to go away on buying trips she ran the business. Even now when I go away [24] she transacts everything and naturally she is the mother of two children and she looks after the children.

The business in Canada was a clothing business. We manufactured boys' and children's clothing. In California I have not been in any business except real estate and things of that nature. I dealt in stocks and securities here. I dealt through brokers but did not have to show my credit standing because the broker, you have to give him the money or he won't give you the stock.

Occasionally I maintained a real estate office in California. I have not had one for the last four or five years because there has been no business.

I had agreements with my wife, relative to the ownership of property, after we came to California. She would feel insulted if I told her she did not own one-half of what I had. Every transaction I made of any importance, that involved money, I could not do unless I got her agreement to it and if she wanted to help her relatives out she does not say "will you?" but she says "give it to them" and that is hers if I have it to give.

My wife was around the factory office in Canada approximately every day. She was around the real

(Testimony of David Gordon.)

estate office also but she had her family to look after principally since that.

Several years ago I told the auditor who made my income tax returns "you are wrong we ought to file separate returns" and he said "well, the law would not stand for it", and I told him "you are wrong, why don't other people do it?" When it comes to figures and things I am not an expert. The returns were made according to the conception of the auditor of what the law demanded. [25]

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Counsel for respondent offered in evidence copies of the 1928 separate income tax returns of David Gordon and his wife, Lillian Gordon, which were accepted and marked Respondent's Exhibits A and B respectively (photostatic copies of each to be furnished and made a part of this record).

The foregoing is the substance of all the evidence adduced at the trial of said proceeding.

FRED HOROWITZ,

Counsel for Petitioner.

(Sgd) ROBERT H. JACKSON,

General Counsel, Bureau of Internal Revenue,  
Counsel for Respondent.

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Approved and ordered filed this 28th day of Apr. 1934.

(Signed) ERNEST H. VAN FOSSAN,

Member.

[Endorsed]: United States Board of Tax Appeals. Filed Apr. 28, 1934. [26]







**SCHEDULE A—INCOME FROM BUSINESS OR PROFESSION** (See Instruction 7)

1. Total receipts from business or profession (state kind of business)		Cost of Goods Sold		OTHER BUSINESS DEDUCTIONS	
2. Labor		10. Salaries, exclusive of "Labor," reported on Line 3 (Do not deduct compensation for your own services)		11. Interest on business indebtedness to others	
3. Material and supplies		12. Taxes on business and business property		12. Taxes on business and business property	
4. Merchandise bought for sale		13. Losses (explain in table provided therefor at foot of page)		13. Losses (explain in table provided therefor at foot of page)	
5. Other costs (items below or on separate sheet)		14. Bad debts arising from sales or services		14. Bad debts arising from sales or services	
6. Plus inventory at beginning of year		15. Depreciation, obsolescence, and depletion (explain in table provided therefor at foot of page)		15. Depreciation, obsolescence, and depletion (explain in table provided therefor at foot of page)	
7. TOTAL (Lines 3 to 6, inclusive)		16. Rent, repairs, and other expenses (itemized below or on separate sheet)		16. Rent, repairs, and other expenses (itemized below or on separate sheet)	
8. Less inventory at end of year		17. TOTAL (Lines 10 to 16, inclusive)		17. TOTAL (Lines 10 to 16, inclusive)	
9. Net Cost or Goods Sold (Line 7 minus Line 8)		18. TOTAL DEDUCTIONS (Line 9 plus Line 17)		18. TOTAL DEDUCTIONS (Line 9 plus Line 17)	
Net Profit (Line 1 minus Line 18) (Enter as Item 2)		19. Net Profit (Line 1 minus Line 18) (Enter as Item 2)		19. Net Profit (Line 1 minus Line 18) (Enter as Item 2)	

Explanation of deductions claimed on Lines 5 and 16.

**SCHEDULE B—INCOME FROM RENTS AND ROYALTIES** (See Instruction 5)

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST	4. VALUE AS OF MARCH 1, 1913	5. DEPRECIATION ALLOWABLE SINCE ACQUIRED	6. RENTALS	7. OTHER EXPENSES (Itemize below)	8. NET PROFIT (Enter as Item 6)
3200 - 3210 W. 8th St.	18900.00	104000.00		2800.00		283.20	
					Joint Tenancy 1/2		7008.40

Explanation of deductions claimed in Column 7.

**SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC.** (See Instruction 6)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. AMOUNT RECEIVED	4. DEPRECIATION ALLOWABLE SINCE ACQUIRED	5. COST	6. VALUE AS OF MARCH 1, 1913	7. SUBSEQUENT IMPROVEMENTS	8. NET GAIN OR LOSS (Enter 15% as Item 8)
Stocks & Bonds	1928	920402.80		903103.78	Community 1/2		8649.53

State how property was acquired.

**SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS** (See Instruction 6a)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE SOLD	4. AMOUNT RECEIVED	5. DEPRECIATION ALLOWABLE SINCE ACQUIRED	6. COST	7. VALUE AS OF MARCH 1, 1913	8. SUBSEQUENT IMPROVEMENTS AND CAPITAL IMPROVEMENTS	9. NET GAIN OR LOSS (Enter 15% as Item 9)
	Mo. Day Year	Mo. Day Year						

State how property was acquired.

**SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES** (See Instruction 6)

1. OBLIGATIONS OR SECURITIES	2. INTEREST RECEIVED OR ACCRUED	3. AMOUNT OWED	4. FEDERAL AMOUNT SUBJECT TO EXCESS TAXATION	5. AMOUNT OWED IN EXCESS OF EXEMPTION	6. INTEREST ON AMOUNT IN EXCESS OF EXEMPTION (Enter 15% as Item 6)
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia.			All	XXXXXX XX	XXXXXX XX
(b) Securities issued under Federal Farm Loan Act, or under such Act as amended.			All	XXXXXX XX	XXXXXX XX
(c) Liberty 3 1/2% Bonds and other obligations of United States issued on or before September 1, 1917, and obligations of possessions of the United States.			All	XXXXXX XX	XXXXXX XX
(d) Liberty 4% and 4 1/4% Bonds, Treasury 3 1/2%, 3 3/4%, 4%, and 4 1/4% Bonds, Treasury Certificates of Indebtedness, and Treasury Savings Certificates.			\$5,000	\$	\$
(e) Treasury Notes			None		

**SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 12, 14, 15, AND 16**

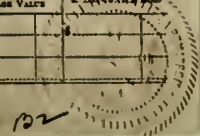
<b>Item 3</b>	<b>Interest Received - Mortgages and Trust Deeds</b>
William Hawkins	(Community 1/2) 120.00
D. L. Hiam	" " 205.83
Carl Laemmle	" " 335.00
W. A. Paris	" " 735.00
	<b>1395.63</b>
	Property Acquired Since July 1927

**EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B**

1. KIND OF PROPERTY (If buildings, state material of which constructed)	2. DATE ACQUIRED	3. DATE WHEN ACQUIRED	4. PROBABLE LIFE AFTER ACQUISITION	5. COST (Exclusive of Land)	6. VALUE AS OF MARCH 1, 1913 (Exclusive of Land)	AMOUNT OF DEPRECIATION CLAIMED OFF	
						7. Previous years	8. This year
				\$	\$	\$	\$

**EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN ITEM 13**

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. COST	4. VALUE AS OF MARCH 1, 1913	5. SUBSEQUENT IMPROVEMENTS	6. DEPRECIATION ALLOWABLE SINCE ACQUISITION	7. DEPRECIATION AND SALVAGE VALUE	8. DEDUCTION
		\$	\$	\$	\$	\$	\$





U. S. FEDERAL REVENUE DEPARTMENT  
 Form 104  
 2614.50

# INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES FROM SALARIES OR WAGES OF MORE THAN \$5,000  
 OR INCOMES, REGARDLESS OF AMOUNT, FROM BUSINESS, PROFESSION, RENTS, OR SALE OF PROPERTY

Do Not Write in These Spaces  
 File No. **143**  
 Serial Number **309453**

## For Calendar Year 1928

File This Return With the Collector of Internal Revenue for Your District on or Before March 15, 1929

GIVE NAME-AND ADDRESS PLAINLY BELOW

**David Gordon**  
**629 So. June St.**  
 (Street and number, or rural route)  
**Los Angeles, California**  
 (City or town) (State)

Occupation, Profession, or Business **Retired**

RECEIVED WITH REMITTANCE  
 MAR 15 1929  
 Cash **740.00**

Single OR or R & R **1/2 & 1/2**  
 Audited by **B. A. S.**  
 Date **2/9/32**

- Are you a citizen or resident of the United States? **Yes**
- If you filed a return for 1927, to what Collector's office was it sent? **6th Calif**
- Is this a joint return of husband and wife? **No**
- State name of husband or wife if a separate return was made and the Collector's office where it was sent **6th Calif. Lillian Gordon**
- Were you married and living with husband or wife on the last day of your taxable year? **Yes**
- If not, were you on the last day of your taxable year supporting one or more persons living in your household who are closely related to you? **No**
- If your status in respect to questions 5 and 6 changed during the year, state date and nature of change. **No**
- How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support because mentally or physically defective were receiving their chief support from you on the last day of your taxable year? **0**

### INCOME

	Amount received	Excess paid (Refund in Schedule F)
I. Salaries, Wages, Commissions, etc. (State name and address of person from whom received)		
2. Income from Business or Profession. (From Schedule A)		
3. Interest on Bank Deposits, Notes, Corporation Bonds, etc. (except interest on tax-free bonds upon which a tax was paid at source)		
(a) Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source	<b>Community 1/2</b>	<b>1925.00</b>
4. Income from Partnerships. (State name and address)		
(a) Income from Fiduciaries. (State name and address)		
5. Rents and Royalties. (From Schedule B)		
6. Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C)		
7. Dividends on Stocks of Domestic Corporations <b>COMMUNITY</b>		<b>2922.88</b>
8. Taxable Interest on Liberty Bonds, etc. (From Schedule E)		
9. Other Income (including dividends received on stock of foreign corporations). (State nature of income)		
(a) <b>Hugh Evans Inc. Tract</b>		<b>984.00</b>
(b)		
10. TOTAL INCOME IN ITEMS I TO 9		<b>45,820.74</b>

OFFICE AUDIT

U. S. BOARD OF TAX APPEALS  
 Div. 7  
 SEP 20 1929  
 EXHIBIT B  
 RESPONDENT'S

RECEIVED  
 AUG 18 1929  
 BUREAU OF INTERNAL REVENUE

DEDUCTIONS		
11. Interest Paid		<b>9588.01</b>
12. Taxes Paid. (Explain in Schedule F)	<b>County Taxes Only</b>	<b>3643.92</b>
13. Losses by Fire, Storm, etc. (Explain in Table on page 2)		
14. Bad Debts. (Explain in Schedule F)		
15. Contributions. (Explain in Schedule F)		<b>840.50</b>
16. Other Deductions Authorized by Law. (Explain in Schedule F)		<b>3903.75</b>
17. TOTAL DEDUCTIONS IN ITEMS 11 TO 16		<b>17,776.18</b>
18. NET INCOME (Item 10 minus Item 17)		<b>27,844.56</b>

EARNED INCOME CREDIT			COMPUTATION OF TAX (See Instruction 21)		
19. Earned Net Income (not over \$3,000)	<b>3,500.00</b>		31. Net Income (Item 18 above)	<b>27844.56</b>	
20. Less Personal Exemption and Credit for Dependents (see Instruction 20)	<b>4300.00</b>		32. Less Dividends (Item 7 above)	<b>2922.88</b>	
21. Balance (Item 19 minus Item 20)	<b>700.00</b>		33. Interest on Liberty Bonds, etc. (Item 6)		
22. Amount taxable at 1 1/4% (not over the first \$4,000 of Item 21)	<b>700.00</b>		34. Credit for Dependents	<b>800.00</b>	
23. Amount taxable at 3% (not over the second \$4,000 of Item 21)			35. Personal Exemption	<b>3500.00</b>	
24. Amount taxable at 5% (balance over \$8,000 of Item 21)			36. Total of Items 32, 33, 34, and 35	<b>7222.88</b>	
25. Normal Tax (1 1/4% of Item 22)	<b>10.50</b>		37. Balance (Item 31 minus Item 36)	<b>20621.68</b>	
26. Normal Tax (3% of Item 23)			38. Amount taxable at 1 1/4% (not over the first \$4,000 of Item 37)	<b>4000.00</b>	
27. Normal Tax (5% of Item 24)			39. Balance (Item 37 minus Item 38)	<b>16621.68</b>	
28. Surtax on Item 19 (see Instruction 21)			40. Amount taxable at 3% (not over the second \$4,000 of Item 37)	<b>4000.00</b>	
29. Tax on Earned Net Income (total of Items 25, 26, 27, and 28)	<b>10.50</b>		41. Amount taxable at 5% (balance over \$8,000 of Item 37)	<b>12621.68</b>	
30. Credit of 25% of Item 29 (not over 25% of Items 28, 42, 43, and 44)	<b>2.63</b>		42. Normal Tax (1 1/4% of Item 38)	<b>60.00</b>	
			43. Normal Tax (3% of Item 40)	<b>120.00</b>	
			44. Normal Tax (5% of Item 41)	<b>631.08</b>	
			45. Surtax on Item 15 (see Instruction 21)	<b>709.13</b>	
			46. Tax on Net Income (total of Items 42, 43, 44, and 45)	<b>1120.20</b>	
			47. Adjustment for Capital Gain or Loss (25% of Column B, Schedule D)		
			48. Total of or difference between Items 46 and 47	<b>1520.20</b>	
			49. Less Credit of 25% of Tax on Earned Net Income (Item 30)	<b>2.53</b>	
			50. Total Tax (Item 48 minus Item 49)	<b>1517.67</b>	
			51. Less Income Tax Paid at Source	<b>38.50</b>	
			52. Income and Profit Taxes paid to a foreign country or U. S. possession	<b>1479.17</b>	
			53. Balance of Tax (Item 50 minus Items 51 and 52)	<b>0.00</b>	

### AFFIDAVIT

I swear (or affirm) that this return, including the accompanying schedules and statements (if any), has been examined by me, and to the best of my knowledge and belief, is true and complete return made in good faith for the taxable year as stated, pursuant to the Revenue Act of 1928, and the Regulations issued thereunder.

Sworn to and subscribed before me this **4th** day of **March**, 1929.  
 Notary Public: **Richard A. Strickland**  
 Signature of taxpayer: **David Gordon**  
 Address of taxpayer: **629 So. June St. Los Angeles, Calif.**

An amended return must be marked "Amended" at top of return

Checks and drafts will be accepted only if payable to payee





**SCHEDULE A—INCOME FROM BUSINESS OR PROFESSION** (See Instruction 2)

1. Total receipts from business (state kind of business)		10. Salaries, exclusive of "Labor," reported on Line 9 (Do not deduct compensation for your own services)	
2. Labor		11. Interest on business indebtedness to others	
3. Material and supplies		12. Taxes on business and business property	
4. Merchandise bought for sale		13. Losses (explain in table provided therefor at foot of page)	
5. Other costs (itemize below or on separate sheet)		14. Bad debts arising from sales or services	
6. Plus inventory at beginning of year		15. Depreciation, obsolescence, and depletion (explain in table provided therefor at foot of page)	
7. TOTAL (Lines 2 to 6, inclusive)		16. Rent, repairs, and other expenses (itemized below or on separate sheet)	
8. Less inventory at end of year		17. TOTAL (Lines 10 to 16, inclusive)	
9. NET COST OF GOODS SOLD (Line 7 minus Line 8)		18. TOTAL DEDUCTIONS (Line 9 plus Line 17)	
NOTE.—Enter "O" or "CM" on Lines 9 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.		19. NET PROFIT (Line 1 minus Line 18) (Enter as Item 2)	

Explanation of deductions claimed on Lines 3 and 10

**SCHEDULE B—INCOME FROM RENTS AND ROYALTIES** (See Instruction 5)

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST	4. VALUE AS OF MARCH 1, 1913	5. DEPRECIATION (Specify in table at foot of page)	6. REPAIRS	7. OTHER EXPENSES (Specify below)	8. NET PROFIT (Enter as Item 2)
3200 3210 W. 8th St. WFT 11	16800.00	104000.00		2800.00		insur 200.00	
8th & Kingaley Separate	800.00	12000.00		300.00	Joint tenancy 1/2		2000.40 300.00 7300.40

Explanation of deductions claimed to Column 7

**SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC.** (See Instruction 8)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. AMOUNT RECEIVED	4. DEPRECIATION ALLOWABLE SINCE ACQUIRED	5. COST	6. VALUE AS OF MARCH 1, 1913	7. IMPROVEMENTS	8. NET PROFIT (Enter as Item 2)

State how property was acquired

**SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS** (See Instruction 6)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE SOLD	4. AMOUNT RECEIVED	5. DEPRECIATION ALLOWABLE SINCE ACQUIRED	6. COST	7. VALUE AS OF MARCH 1, 1913	8. IMPROVEMENTS AND CAPITAL EXPENDITURES	9. NET GAIN OR LOSS (Enter 10-% as Item 2)
	Mo. Day Year	Mo. Day Year						

State how property was acquired

**SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES** (See Instruction 5)

1. OBLIGATIONS OR SECURITIES	2. INTEREST RECEIVED OR ACCRUED	3. AMOUNT OWED	4. FEDERAL AMOUNT EXEMPT FROM TAXATION	5. AMOUNT OWED IN EXCESS OF EXEMPTION	6. INTEREST ON AMOUNT IN EXCESS OF EXEMPTION (Enter as Item 2)
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia			All	XXXXXX XX	XXXXXX XX
(b) Securities issued under Federal Farm Loan Act, or under such Act as Amended			All	XXXXXX XX	XXXXXX XX
(c) Liberty 3 1/2% Bonds and other obligations of United States issued on or before September 1, 1917, and obligations of possessions of the United States			All	XXXXXX XX	XXXXXX XX
(d) Liberty 4% and 4 1/4% Bonds, Treasury 3 1/2%, 3 3/4%, 4%, and 4 1/4% Bonds, Treasury Certificates of Indebtedness, and Treasury Savings Certificates			\$5,000		
(e) Treasury Notes			None		

**SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 12, 14, 15, AND 16**

Commission Paid on Real Estate Sales in Schedule D	2682.75
Escrow Expenses	310.00
	3092.75

*San Jose - Lat 65-3-4? pro-rate only 1/2*

**EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B**

1. KIND OF PROPERTY (If buildings, state material of which constructed)	2. DATE ACQUIRED	3. AGE WHEN ACQUIRED	4. PERIODS LEFT AFTER ACQUISITION	5. COST (Residue of Land)	6. VALUE AS OF MARCH 1, 1913 (Residue of Land)	7. PREVIOUS YEAR	8. THIS YEAR
3200-3210 W. 8th St.	1925	New	40 yrs	104000.00		2800.00	2800.00
8th & Kingaley	1926	"	40 yrs	12000.00		300.00	300.00

**EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A. AND IN ITEM 13**

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. COST	4. VALUE AS OF MARCH 1, 1913	5. IMPROVEMENTS	6. DEPRECIATION ALLOWABLE SINCE ACQUIRED	7. INSURANCE AND SALVAGE VALUES	8. DEDUCTIBLE LOSS

217



Max Zimmon  
 Solomon and  
 William Hawkins (Community 1/2)  
 D. L. Hian  
 " "  
 Carl Laemmle  
 W. A. Paris

480.00  
 2030.00  
 130.00  
 205.63  
 335.00  
 735.00  
 3905.63

Property acquired since  
 July 1927

*1/2*  
*split*

SCHEDULE C - PROFIT FROM SALE OF REAL ESTATE ETC.

Sold	Sale Price	Cost	Gross Profit	AMT REC'D.	1928
				1928	Gain or Loss
1925	15000.00	13500.00	1500.00	8500.00	850.00 ✓
1925	11800.00	5500.00	6300.00	2450.00	1307.81 ✓
1927	6000.00	2750.00	3250.00	1500.00	812.50 ✓
1927	13000.00	5350.00	7650.00	2600.00	1530.10 ✓
1927	20000.00	12000.00	8000.00	5000.00	2000.00 ✓
1928	97500000	23500.00	74000.00	19000.00	7215.00 ✓
1928	37500.00	31000.00	6500.00	900.00	1560.00 ✓
1928	70000.00	23500.00	46500.00	14000.00	4650.00 ✓
1928	920402.80	903103.76	Community 1/2		8649.86
					28574.83

*thought on me give*

*Land + Bldg not separated -*

1957.81





## Schedule F—Contributions

Cong, Sinai	295.00
Home for Incurables	50.00
Zionist organ of Amer.	6.00
Congregation B'nai Brith	30.00
Community Chest	100.00
General Orphans Home for Girls	10.00
Federation Jewish Welfare	100.00
Nathan Straus Palestine Fd.	20.00
Convalescent Home	5.00
Temple B'nai Brith Sisterhood	3.25
Sinai Sisterhood	6.25
L. A. T. B. Assn.	5.00
United Charities of Jerusalem	10.00

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 640.50

A 3 [32]

Form 7544—Revised Dec. 1928

Treasury Department  
Bureau of Internal Revenue  
Income Tax Unit

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Notice of Return Filed for 1928

This form, when prepared, must be addressed to  
Commissioner of Internal Revenue, Sorting  
Section, Washington, D. C. Do not inclose with  
other matter to be forwarded to the Commis-  
sioner.

Distric

DAVID GORDON

629 S JUNE ST

6th CALIFORNIA

LOS ANGELES CALIF 309453

A 4 [33]

Form 1099—U. S. Internal Revenue  
Names Must Be Legibly Typed or Printed.

INFORMATION RETURN FOR CALENDAR  
YEAR 1928

To be used for reporting payments of dividends made to the shareholders who were paid \$500 or more each during the year, and payments of salaries, or other determinable income of \$1,500 or more to a single person, or \$3,500 or more to a married person.

BY WHOM PAID

Name—California Bank, 625 So Spring  
Address—Los Angeles, Cal.

Instructions to Payors

Prepare one of these forms for each citizen or resident of the United States (individual or fiduciary), or a domestic or resident partnership to whom income, as described above, was paid during the calendar year 1928. In case the marital status of an individual is unknown, prepare this form if the payment of salary, etc., amounts to \$1,500 or more.

Dividend payments of \$500 or more made during the year to a nonresident alien shall be reported on **this form.**

Forward with return Form 1096 so as to reach the Commissioner of Internal Revenue, Sorting Section, Washington, D. C., on or before March 15, 1929.

For Further Instructions See Form 1096

## TO WHOM PAID

Name—David Gordon

Street—629 S. June St.

City—Los Angeles State—California

Kind of Income Paid	Amount Paid
Salaries, wages, fees, commissions, etc..\$.....	.....
Interest on notes, mortgages, etc.....	.....
Rents and royalties.....	.....
Dividends .....	874 75
Other income, including foreign items .....	.....
	A 5 [34]

Form 1099—U. S. Internal Revenue

Names Must Be Legibly Typed or Printed

INFORMATION RETURN FOR CALENDAR  
YEAR 1928

To be used for reporting payments of dividends made to shareholders who were paid \$500 or more each during the year, and payments of salaries, or other determinable income of \$1,500 or more to a single person, or \$3,500 or more to a married person.

## BY WHOM PAID

Name—Los Angeles-First Nat'l Tr. &amp; Sav. Bank,

Address—Seventh &amp; Spring Sts.,

Los Angeles, Calif.

## Instructions to Payors

Prepare one of these forms for each citizen or resident of the United States (individual or fiduciary), or a domestic or resident partnership to whom income, as described above, was paid during the cal-

endar year 1928. In case the marital status of an individual is unknown, prepare this form if the payment of salary, etc., amounts to \$1,500 or more.

Dividend payments of \$500 or more made during the year to a nonresident alien shall be reported on this form.

Forward with return Form 1096 so as to reach the Commissioner of Internal Revenue, Sorting Section, Washington, D. C., on or before March 15, 1929.

For Further Instructions See Form 1096

### TO WHOM PAID

Name—David Gordon

Street—629 So. June St.

City—Los Angeles

State—Calif.

Kind of Income Paid	Amount Paid
Salaries, wages, fees, commissions, etc.....\$.....	.....
Interest on notes, mortgages, etc.....	.....
Rents and royalties .....	.....
Dividends .....	1217.44
Other income, including foreign items .....	.....

A 6 [35]

Form 1099—U. S. Internal Revenue

Names Must Be Legibly Typed or Printed

### INFORMATION RETURN FOR CALENDAR YEAR 1928

To be used for reporting payments of dividends made to shareholders who were paid \$500 or more each during the year, and payments of salaries, or other determinable income of \$1,500 or more to a single person, or \$3,500 or more to a married person.

BY WHOM PAID

Name—Head Office Security Trust & Savings Bank

Address—5th and Spring Sts

Los Angeles, Calif.

Instructions to Payors

Prepare one of these forms for each citizen or resident of the United States (individual or fiduciary), or a domestic or resident partnership to whom income, as described above, was paid during the calendar year 1928. In case the marital status of an individual is unknown, prepare this form if the payment of salary, etc., amounts to \$1,500 or more.

Dividend payments of \$500 or more made during the year to a nonresident alien shall be reported on this form.

Forward with return Form 1096 so as to reach the Commissioner of Internal Revenue, Sorting Section, Washington, D. C., on or before March 15, 1929.

For Further Instructions See Form 1096

TO WHOM PAID

Name—David Gordon

Street—629 So. June St.

City—Los Angeles

State—Calif.

Kind of Income Paid	Amount Paid
Salaries, wages, fees, commissions, etc. \$.....	.....
Interest on notes, mortgages, etc.....	.....
Rents and royalties.....	.....
Dividends .....	1,930. ....
Other income, including foreign items .....	.....



Form 1099—U. S. Internal Revenue  
Names Must Be Legibly Typed or Printed  
INFORMATION RETURN FOR CALENDAR  
YEAR 1928

To be used for reporting payments of dividends made to shareholders who were paid \$500 or more each during the year, and payments of salaries, or other determinable income of \$1,500 or more to a single person, or \$3,500 or more to a married person.

BY WHOM PAID

Name—Emil Schepp

Address—Traymore Hotel 8th St. at  
Fedora, Los Angeles, Calif.

Instructions to Payors

Prepare one of these forms for each citizen or resident of the United States (individual or fiduciary), or a domestic or resident partnership to whom income, as described above, was paid during the calendar year 1928. In case the marital status of an individual is unknown, prepare this form if the payment of salary, etc., amounts to \$1,500 or more.

Dividend payments of \$500 or more made during the year to a nonresident alien shall be reported on this form.

Forward with return Form 1096 so as to reach the Commissioner of Internal Revenue, Sorting Section, Washington, D. C., on or before March 15, 1929.

For Further Instructions See Form 1096

TO WHOM PAID

Name—David Gordon

Street—629 So. June St.

City—Los Angeles

State—Calif.

Kind of Income Paid	Amount Paid
Salaries, wages, fees, commissions, etc....	\$..... .....
Interest on notes, mortgages, etc.....	..... .....
Rents .....	9180 00
Dividends .....	..... .....
Other income, including foreign items.....	..... .....

A 8 [37]

Form 1000—Revised March, 1926

U. S. Internal Revenue

Names Must Be Legibly Typed or Printed

OWNERSHIP CERTIFICATE—INTEREST  
ON BONDS

and other similar obligations of domestic and resi-  
dent corporations (exemption not claimed)

Debtor Organization

Name—Paramount Famous Players Lasky

Address .....

Due date—6-2-28

Date paid—June 20, 1928.

I certify that the owner of the bonds from which  
the interest entered herein was derived falls within  
the class of persons or organizations opposite which  
such interest is entered.

Signature of Owner,  
Trustee, or Agent

David Gordon

Address of Trustee or Agent:

Owner of Bonds (Give name in full)

Name—David Gordon

Street .....

City..... State.....

	With tax-free covenant	Without tax-free covenant
Owner		
Citizen or Resident of U.S.:	2% .....	.....
1. Individual, fiduciary, or partnership .....	\$..... 90 .....	(No certificate required) .....
Nonresident Alien:	2%	5%
2. Individual, fiduciary, or partnership .....	\$.....	\$.....
3. Corporation, having no office or place of busi- ness in U. S.....	2% \$.....	13½% \$.....
4. Unknown .....	2% \$.....	5% .....

Form 1000—Revised March, 1926

U. S. Internal Revenue

Names Must Be Legibly Typed or Printed

OWNERSHIP CERTIFICATE—INTEREST  
ON BONDS

and other similar obligations of domestic and resi-  
dent corporations (exemption not claimed)

Debtor Organization

Name—Porto Rican [illegible]

Address—The National City Bank of New York

Due date—Jan., 1928 Date paid—G. H. Jan 13, 1928

I certify that the owner of the bonds from which  
the interest entered herein was derived falls within  
the class of persons or organizations opposite which  
such interest is entered.

Signature of Owner,  
Trustee, or Agent

DAVID GORDON

Address of Trustee or Agent—L. A.

Owner of Bonds (Give name in full)

Name—David Gordon

Street—629 So. June

City—L. A.

State—Calif.

	With	Without
	tax-free	tax-free
Owner	covenant	covenant
Citizen or Resident of U.S.:	2% .....	.....

1. Individual, fiduciary, (No certificate  
or partnership ..... \$..... 30 ..... required)

Nonresident Alien:	2%	5%
2. Individual, fiduciary, or partnership .....	\$.....	\$.....
3. Corporation, having no office or place of busi- ness in U. S.....	2%	13½%
	\$.....	\$.....
	2%	5%
4. Unknown .....	\$.....	.....

A 10 [39]

Form 1000—Revised March, 1926

U. S. Internal Revenue

Names Must Be Legibly Typed or Printed

**OWNERSHIP CERTIFICATE—INTEREST  
ON BONDS**

and other similar obligations of domestic and resi-  
dent corporations (exemption not claimed)

**Debtor Organization**

Name—North American Edison Co.

Address .....

5-1957

Date due—Sept. 1928      Date paid.....

I certify that the owner of the bonds from which  
the interest entered herein was derived falls within  
the class of person or organizations opposite which  
such interest is entered.

Signature of Owner

Trustee, or Agent

E. F. HUTTON &amp; CO.,

T. A. Lane, Partner.

Address of Trustee or Agent—61 Bway, N. Y. City

Owner of Bonds (Give name in full)



Name—D. Gordon

Street—629 S. June St.

City—Los Angeles State—Calif.

Owner	With tax-free covenant	Without tax-free covenant
Citizen or Resident of U.S.:	2% .....	.....
1. Individual, fiduciary, or partnership .....	\$..... 50 .....	(No certificate required) 5%
Nonresident Alien:	2%	5%
2. Individual, fiduciary, or partnership .....	\$..... .....	\$..... .....
3. Corporation, having no office or place of busi- ness in U. S.....	2% \$..... .....	13½% \$..... .....
	2%	5%
4. Unknown .....	\$..... .....	.....

A 11 [40]

Treasury Department—Internal Revenue Bureau  
Form 7872—Jan., 1926

INTEREST PAID ON REFUND OR CREDIT  
OF INCOME TAX

Auditor will definitely ascertain that the amount of  
interest shown hereon has been included in tax-  
able income for the year in which received.

Schedule No. IT—30872

Date Check mailed—Sep. 8, 1928.

Charge Record

Return charged to.....

Date ....., 192

Name—Mr. David Gordon

Street—629 South June St.

Street—Los Angeles State—Cal. Dist.—6-Cal.

Amount Refunded Amount Credited Interest Paid

\$..... \$1530.16 \$159.02

Note.—This certificate must be stapled or securely pinned to the return and not removed therefrom. A-12 [41]

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United States Board of Tax Appeals.

Docket No. 54949

DAVID GORDON,

Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

**PRAECIPE FOR THE RECORD.**

To the Clerk of the United States Board of Tax Appeals:

You are hereby requested to prepare and certify and transmit to the Clerk of the Circuit Court of Appeals of the United States for the Ninth Circuit, with reference to petition for review heretofore filed by the petitioner in the above cause, a transcript of the record in the above cause, prepared and submitted as required by law and by the rules of said Court, and to include in said transcript of record

the following documents or certified copies thereof, to-wit:

1. The docket entries of proceedings before the United States Board of Tax Appeals in the above entitled cause.
2. Pleadings before the Board of Tax Appeals as follows: [42]
  - (a) Petition for redetermination.
  - (b) Answer of the Respondent.
3. Opinion and decision of the Board.
4. Petition for review.
5. Order of the Board enlarging time for settlement of the evidence and transmission and delivery of the record on the petition for review, not included in record.
6. Statement of Evidence as settled.
7. This Praecipe.

FRED HOROWITZ,  
Attorney for Petitioner.

[Endorsed]: United States Board of Tax Appeals. Filed April 27, 1934. [43]

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[Title of Court and Cause.]

CERTIFICATE

I, B. D. Gamble, Clerk of the U. S. Board of Tax Appeals, do hereby certify that the foregoing pages, 1 to 43, inclusive, contain and are a true copy of the transcript of record, papers, and proceedings on file and of record in my office as called for by the Praecipe in the appeal as above numbered and entitled.

In testimony whereof, I hereunto set my hand and affix the seal of the United States Board of Tax Appeals, at Washington, in the District of Columbia, this 8th day of May, 1934.

(Seal)

B. D. GAMBLE,  
Clerk, United States Board of Tax Appeals.

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[Endorsed]: No. 7484. United States Circuit Court of Appeals for the Ninth Circuit. David Gordon, Petitioner, vs. Commissioner of Internal Revenue, Respondent. Transcript of the Record. Upon Petition to Review an Order of the United States Board of Tax Appeals.

Filed May 23, 1934.

PAUL P. O'BRIEN,  
Clerk of the United States Circuit Court of Appeals  
for the Ninth Circuit.